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C O N F I D E N T I A L SECTION 01 OF 03 LIMA 005430

SIPDIS

IO FOR A/S SILVERBERG, KFRASER

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TAGS: PREL PGOV ETRD PE SUBJECT: A/S SILVERBERG'S VISIT TO LIMA, DECEMBER 2-6

REF: LIMA 5192

Classified By: Polcouns Alexander Margulies. Reason: 1.4(b/d).

Summary:

11. (C) A/S Silverberg, in meeting with Foreign Ministry counterparts, opinion leaders and the Chair of the Congressional Foreign Relations Committee, delivered a strong message about U.S. priorities for UN reform during her December 2-6 visit to Lima. The Foreign Ministry said that Peru shares the USG's views on current UN Security Council issues. The Peruvians agree in principle on UN reform, although Peru may differ from the U.S. on certain details. Opinion leaders touched on anti-Americanism and the pending presidential election. Current Foreign Relations Committee Chair Gustavo Pacheco argued that Peru must become more integrated with the United States. End Summary.

The Foreign Ministry

- (U) Assistant Secretary Silverberg met with the Director of the Foreign Ministry's Office of Multilateral Affairs, Julio Garro, Deputy Director for UN Affairs Miguel Barreto, Director of the Office of North American Affairs Nestor Popolizzio and Head of the Office of Human Rights Carlos Romero, at the Foreign Ministry on 12/5. Polcouns, Poloff and I/O special assistant Katrin Fraser were also present.
- (C) A/S Silverberg congratulated the Peruvians on their election to the Security Council. She then laid out U.S. priorities for the coming session, which included:
- --Management Reform: Quickly implementing fundamental management reforms, including improving ethics rules, improving the budget process to ensure that all UN funds are spent to their highest use, and implementing personnel flexibility.
- --Peacebuilding Commission: Establishing a Peacebuilding Commission to serve as a coordinating mechanism and to ensure that peacekeeping operations move from establishing order to promoting development.
- --Human Rights Commission: Replacing the Human Rights Commission with a new Human Rights Council that excludes the worst offenders so as to restore credibility to UN human rights efforts.
- $\mbox{--Syria:}$ supporting continued investigations into Syria's role in the assassination of Lebanon's Prime Minister and sending a clear message from the international community that the Syrian government,s support for Palestinian terrorists and terrorists in Iraq and repression of its own people is unacceptable.
- --Iran: thwarting Iran,s nuclear weapons ambitions and its 18--year history of misleading the international community in its atomic energy program.
- -Sudan: Bolstering security in Darfur, possibly by "blue-hatting" the African Union Mission in Sudan, which would require a Security Council resolution.
- --Haiti: Ensuring that the so-far successful Latin American peacekeeping mission to Haiti, which includes a sizable Peruvian contingent, succeeds in facilitating elections and the creation of a stable, functioning government.
- (C) Peruvian reps agreed in principle with the U.S. positions on these issues, with some minor variations on UN reform. They said that Peru is committed to the creation of a Peacebuilding Commission and wants to prioritize review of peacekeeping operations in which their citizens participate. They further noted that the Foreign Ministry has convinced the Peruvian Military of the value of participating in such operations. Nonetheless, they mentioned that the present system of delayed reimbursement for deployment costs makes it financially difficult for Peru to sign on to peacekeeping

missions. They urged us to consider a different method of finance.

- 15. (C) The Peruvians also agreed on the need for a Human Rights Council, which would emphasize greater selectivity of membership. The Peruvians noted, however, that Peru favors a larger Council membership than the U.S. does, but acknowledged that this could be negotiated.
- 16. (C) Garro stated that Peru is committed to UN reform, including reform of the Security Council (Peru favors Brazil's bid for a permanent seat), the General Assembly, and ECOSOC. A/S Silverberg noted that both Peru and the U.S. agree on UN Security Council reform, but that the U.S. favors careful, criteria-based expansion. In any case, regional difficulties and bilateral rivalries (China-Japan) make imminent expansion problematic.
- 17. (C) The Peruvians asked A/S Silverberg about the USG's ideas on selection of the next Secretary General (SYG). A/S Silverberg replied that the UN bureaucracy and its missions had expanded to such a degree that the next SYG had to be someone with a strong managerial background. She noted that Asian countries thought it was their turn to assume the SYG position, while the East Europeans were arguing that the position should go to one of their number, as no East European had occupied the post. The U.S., Silverberg added, wants the best candidate, regardless of his/her geographical region. The Peruvians commented that they were committed to regional rotation and that this favored an Asian country.

A/S Meets with Peruvian Opinion Leaders

- 18. (C) A/S Silverberg met with a select group of Peruvian opinion leaders on 12/6 over lunch at the Ambassador's Residence. The group in included journalists Gustavo Gorritti ("La Republica"), Carlos Espa ("Expreso"), Francisco Huanacune (the magazine "Generaccion"), and Lucien Chauvin ("The Economist"). Also present were former Interior Minister Fernando Rospigliosi and former Interior Vice Minister Ricardo Valdez, both now with the Human Social Capital (CHS) consultancy as well as Horacio Gago, an economist working for the UNDP. The discussion revolved around three major themes: Hugo Chavez and Anti-Americanism, U.S. reactions to the possible election of extremist presidential candidates in Bolivia and Peru, and the ongoing presidential campaign.
- 19. (C) A/S Silverberg asked about feelings toward Hugo Chavez among Peruvians and attitudes toward the U.S. Respondents said that while anti-Americanism exists in Peru, particularly among intellectuals of the "caviar left," most Peruvians who might admire Chavez or express support for extremists like Ollanta Humala do so not out of anger at the U.S., but because they are enraged by the local political class, which they see as "frivolous." Peruvians know that the country has undergone several years of economic growth, yet the majority (52 percent) remains mired in poverty. They feel "left out at the table," in the words of one participant. As such, a large fraction of the electorate is looking for an anti-system candidate to express its ire. In this atmosphere, issues like Iraq do not resonate among the populace at large.
- 110. (C) Factors that compound the discontent and may add an anti-US edge to criticism of the U.S. are the anger of coca growers and the fears of some farmers facing increased competition as a result of the recently concluded U.S.-Peru Free Trade Agreement (FTA). Even so, as one participant noted, radical candidate Ollanta Humala is still "more anti-Chilean than anti-American." Economist Horacio Gago, who works in municipal titling programs inspired by the ideas of Hernando de Soto, added that the position of many Peruvians is ambiguous. He described a vast, economically informal urban sector of small property owners who, he said, well understand how markets work and are potentially conservative and pro-FTA, but they may lack access to secure property titles or sufficient FTA information to act on those inclinations. Another potentially pro-US and pro-globalization constituency in Peru, participants noted, is the substantial number of Peruvians who receive remittances from abroad.
- 111. (C) Participants asked how the U.S. would react if candidates like Evo Morales won the Presidency in Bolivia or if Ollanta Humala won in Peru. The Ambassador replied that the U.S. would respect the result of democratic elections; but that the defense of democracy does not end the day the polls close. Elected leaders themselves have to show their respect for democracy, minority rights, free speech, etc. through their actions. The Ambassador added that the U.S. would continue its vigilance of human rights and democratic freedoms in the wake of elections, no matter who was the winner.

- 112. (C) In response, one participant in the lunch, "La Republica" co-editor Gustavo Gorritti, complimented the reaction of the Peruvian press to Humala's candidacy, saying that the press has "operated very responsibly" in investigating this rapidly rising figure. (Note: As reported reftel, the Peruvian political class as well as the press appeared to suddenly awake to the danger of Humala two weeks ago with the publication of two polls that suggested Humala had become a serious presidential contender. End Note.)
- 13. (C) Participants noted that National Unity (UN) candidate Lourdes Flores is the undoubted front-runner and that, in the words of one, "She seems to be taking her script from (Colombian President Alvaro) Uribe." Several added that her key weakness was the lack of a firm party structure. Her own Popular Christian Party (PPC) is small and Lima-based, and Flores Nano has too little control over the coalition that backs her. As such, her front-runner status can hardly be considered unassailable.
- 114. (C) Gustavo Gorritti suggested that the recent burst of support for Humala likely came from Fujimori's followers. While both candidates ostensibly hate each other, they appeal to the same hyper-marginalized sectors, particularly among the rural peasantry. Gorritti believed that once the Chileans threw a monkey wrench into Fujimori's planned "blitzkrieg" dive into the presidential race by detaining the former Peruvian President, much of the latter's support drifted "by osmosis" to Humala. Other observers refused to discount the idea that still another outsider, perhaps a candidate like Jaime Salinas or Peru's former OAS Ambassador Alberto Borrea, might yet come from the back of the pack and challenge the leaders the way that Fujimori and Toledo did in 1990 and 2000.

Silverberg Meets Chair of Foreign Relations Committee

- 115. (C) Foreign Relations Committee Chairman and Congressman from Peru's Independent Moralizing Front (FIM) Gustavo Pacheco personally met with A/S Silverberg on December 6. Pacheco stressed the need for Peru to become more integrated with the United States at all levels. As part of this, he reaffirmed his own support for the FTA. (Note: Pacheco is from Puno, a region where small farmer opposition to the FTA runs strong. End Note.)
- 116. (U) A/S Silverberg did interviews with the Peruvian daily "Expreso" (right-leaning daily, circulation 10,000-20,000) and the monthly magazine "Generaccion" (appeals to socially conscious professionals, circulation 10,000) during her visit. The Generaccion article will be published next month. Post is faxing a copy of A/S Silverberg's interview with "Expreso" to the desk.
- $\P 17$. This cable was reviewed by A/S Silverberg. STRUBLE